

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3549 – SB 3410

April 14, 2010

SUMMARY OF AMENDMENTS (015812, 016725): Amendment 015812 adds language to the original bill that specifies the fund established with monies received by the Commissioner of Commerce and Insurance in excess of the \$2.5 million cap be called the “indigent burial fund” and requires all monies be spent on only Tennessee residents who are indigent and receiving state financial assistance at the time of death. Requires that any interest earned by the indigent burial fund be deposited into that fund. Requires the Commissioner to establish a maximum amount for burial reimbursement. Amendment 016725 deletes part of the language from the original bill and authorizes the Commissioner of Commerce and Insurance to determine, by rule, an amount over \$2.5 million that will be deposited into a pre-need funeral account. Requires that all funds, once the dollar amount exceeds the amount determined by the Commissioner, be deposited in an indigent fund within the general fund. Requires that if at any time the amount in the pre-need funeral account falls below the amount established by the Commissioner no deposits will be made to the indigent fund until the account balance is restored.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$153,200/Burial Services and Pre-Need Program
Increase State Expenditures - \$12,900/One-Time/Burial Services and Pre-Need Program
\$140,300/Recurring/Burial Services and Pre-Need Program

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Unchanged from the original fiscal note.

Assumptions applied to amendments:

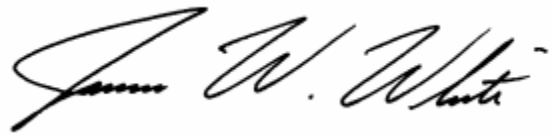
- Establishing further guidelines and changing the name of the fund will have no additional fiscal impact on the state.
- According to the Department of Commerce and Insurance, two additional staff would be necessary to handle the increase in disputes of claimants. A one-time increase in state expenditures is estimated at \$6,900 which includes office landscaping (\$4,000) and computer costs (\$2,900). The recurring increase to state expenditures for the new staff is estimated to be \$140,300 which includes salaries and benefits (\$107,800), administrative costs (\$22,400), and telecommunications and office supplies (\$10,100).
- There will be an additional one-time increase in state expenditures estimated to total \$6,000 which includes a rule-making hearing (\$5,000), and printing and distribution of new forms to all licensees (\$1,000).

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- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory programs are required to be self-supporting over a two-year period. As of June 30, 2009, the program had a negative balance of \$1,434,001.78. According to the Department, fees will be increased to cover expenditures which will result in an increase in state revenue of \$153,200.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

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